

DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

Secret

State Department review completed

Νº

42

No. 0143/72 15 June 1972

Central Intelligence Bulletin

CONTENTS

VIETNAM: Situation report. (Page 1)

CIVIL AVIATION: Soviets will support UN statement
on air piracy. (Page 3)

<u>UK</u>: Rail settlement is another setback for Heath's wage policy. (Page 4)

YUGOSLAVIA: New vice-president will be selected next month. (Page 5)

CHILE: New electoral regulations (Page 6)

VIETNAM: The Communists are maintaining pressure on government positions in the northern Mekong Delta area, but there is a general lull throughout the remainder of the country.

Heavy fighting continues around Tuyen Binh District town in Kien Tuong Province for the third straight day, and casualties are high on both sides. Elements of the Communist 5th Division, which recently moved into this region, apparently are involved in the fighting in Kien Tuong as well as in nearby Kien Phong Province. Enemy forces in Dinh Tuong Province directed several mortar rounds against the provincial capital of My Tho early yesterday, causing numerous civilian casualties.

Government forces have cleared enemy units from much of An Loc and have reoccupied the airstrip on the northern edge of the town. Government reinforcements are meeting little resistance while moving from landing areas just outside of An Loc, but the main elements of the relief column remain stalled south of the town.

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North Vietnam's leadership is raising the prospect of an indefinite extension of the war. Writing in the daily newspaper on 1 June, an unknown official named Hong Ha calls for the reorganization of society "so that we can wage a protracted war." He insists that a Communist victory does not require all the heavy equipment and material which the US has at its disposal. The article makes no reference to Soviet or Chinese aid, but its boastful claims about the country's ability to survive on its own serves implicitly to minimize the importance of such assistance for Hanoi's war effort.

(continued)

Hong Ha gives the impression that the regime has only recently decided on the political line he articulates. He alludes to an "assessment" of a "new situation" in respect to Vietnam--presumably that created by great power summitry, developments in the Communist offensive, and the US interdiction campaign against the North.

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CIVIL AVIATION: The UN Security Council may take some action on aviation security by the end of this week.

The Soviet representative at the UN has been instructed to support a Security Council consensus statement on air piracy. US representatives have been consulting with the Soviet Union and the UK on the possibility of such a statement, which could be issued without a formal meeting or debate. statement would call upon states to deter, prevent, or suppress acts of hijacking or other interference with air travel and to ensure the prosecution of those who commit such acts.

Security Council adoption of a consensus statement probably would cause the International Federation of Airline Pilots Association to call off the 24-hour strike it has threatened for 19 June. Secretary-General Waldheim will try to find out what the association means by its request for "effective action" by the Security Council when he meets with representatives of the pilots this afternoon.

A Security Council consensus statement might also facilitate the adoption of the resolution the US has been circulating among members of the Council of the International Civil Aviation Organization. That resolution, among other things, urges states to implement the security measures which the ICAO has adopted and to become parties to the Tokyo, Hague, and Montreal conventions on air piracy. More important, it provides for resuming the preparation of a convention that would establish procedures for taking joint action, within the ICAO framework, against countries that fail to deal with hijackers.

25X1

15 Jun 72 Central Intelligence Bulletin

<u>UK</u>: The inflationary settlement of the rail dispute marks another setback for Prime Minister Heath's wage and industrial relations policies.

After several months of work slowdowns and negotiations, British Railways and three labor unions reached an agreement calling for wage increases of more than 13 percent. This is the second major blow to Heath's efforts to hold average wage increases at about nine percent. Earlier this year, a 20-percent wage hike was granted to the coal miners. Furthermore, the government is faced with intransigence from the dock workers in the Transport and General Workers' Union (TGWU) over pay and working conditions. The leaders of the union have just postponed a national port strike for six weeks.

In the first test of the new Industrial Relations Act, the rail dispute demonstrated that the act could neither keep labor on the job nor prevent an inflationary settlement. The government, through the National Industrial Relations Court (NIRC), ordered a cooling-off period and a compulsory ballot on whether to continue the slowdowns. After the compulsory ballot produced overwhelming support for the unions' tactics, the leaders felt they had no reason to compromise.

The Industrial Relations Act has been further undermined by a court ruling on 13 June that absolves the TGWU of responsibility for actions of its shop stewards and sets aside fines levied on the union by the NIRC. The unions regard this ruling, which strikes at the heart of the government's industrial relations policies, as a monumental victory. The Heath government has not yet proposed any alternative to the act, but it may be forced to explore other avenues, such as arbitration, conciliation, or even some sort of incomes policy—a measure opposed by Heath up to the present.

15 Jun 72

Central Intelligence Bulletin

4

YUGOSLAVIA: A Muslim from Bosnia-Hercegovina probably will become the next vice-president for one year beginning on 2 August.

The constitution provides that the vice-president be elected for a one-year term on a rotating basis from among the members of the collective presidency--three from each republic and two each from the provinces of Vojvodina and Kosovo. The position is important in the governmental structure because the incumbent automatically takes over as a caretaker president if Tito resigns or dies.

By virtue of his post, the caretaker will play an important role in post-succession politics, but he will not dominate the collective presidency. Presidents after Tito will be elected by their peers on the collective presidency for a one-year term according to the rotational system. Tito's title of president-for-life is a specific constitutional exception that future leaders are unlikely to achieve.

The leading candidate in the election on 15 July among the Bosnian-Hercegovinian members of the collective presidency is Hamdija Pozderac. He is a 49-year-old Muslim ex-professor who has been described as a dedicated advocate of Yugoslavia's self-management system and policy of non-alignment. His election would pose one problem. The present premier, Dzemel Bijedic, is also a Muslim from Bosnia-Hercegovina. His and Pozderac's joint terms in office would create a nationality imbalance at the top level of the government. Bosnian Muslims represent only 3.5 percent of the Yugoslav population.

The rotation for the five following years will be Slovenia in 1973, then Serbia, Croatia, Monte-
negro, and the province of Vojvodina in that order, according to Krste Crvenkovski, the current vice-
president, who represents Macedonia.

15 Jun 72

Central Intelligence Bulletin

25X1

NOTE

CHILE: New electoral regulations that authorize federations of political parties to offer common lists of candidates improve the prospects for President Allende's coalition in the 1973 congressional elections. The requirement that federations be registered by 7 July poses problems for the opposition Christian Democrats in particular. Party leaders must now commit themselves quickly on the thorny issue of close cooperation with conservative parties, the surest way to avert a coalition majority in the Such action, however, would be anathema to the Christian Democratic left and would abandon the party's hope of forging a leftist political bloc with moderate breakaway Radicals. The Popular Unity coalition won the 1970 presidential elections by exploiting such a split in its opposition.

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According to press reports, Allende will announce his long-awaited new cabinet today. The adjusted ministerial lineup will probably be the first indication of the changes that will be made in economic policies as a result of the recent prolonged meeting of the Popular Unity parties.

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Approved For Release 2003/08/21 : CIA-RDP79T00975A022100060001-9

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